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MEDIA ALERT

Securities Division "Sting" stops Missouri man from bilking Utah investor
"Carl Todd took \$500K from Missouri investors, attempts scam in Utah"
(For immediate release...)

SALT LAKE CITY, Utah – The Division of Securities announced today that an Order to Show Cause has been entered against Carl Roger Todd, of Missouri, and Kenneth Walter North, of Utah County, for offering unregistered, fraudulent securities to a Utah investor in a "prime bank" scheme which violated the *Utah Securities Act*. "Prime bank" refers to fake offers where investors supposedly receive high-yield, tax-free returns through access to investment portfolios of international "elite" banks. The Order to Show Cause asks that both Carl Todd and Kenneth North be required to cease and desist from any further conduct violating the *Utah Securities Act*. The Utah Division of Securities is seeking a \$100,000 fine against Carl Todd and a \$50,000 fine against Kenneth North.

According to the Order, Missouri's Division of Securities issued a cease and desist Order on July 5, 2006 against Carl Roger Todd and others for offering "prime bank" schemes to Missouri residents. The Missouri Order alleged that Carl Todd took \$500K from seven Missouri investors who never received any return on their investment or their deposits back. In October 2006, investigators from the Utah Division of Securities were contacted by a Utah man who said he had been offered "prime bank" investments by Carl Todd, from Missouri, and his Utah associate, Kenneth North. The Utah man agreed to pose as an investor along with an investigator from the Securities Division to meet with Carl Todd and Kenneth North.

During face-to-face meetings, Kenneth North made the following false claims to the Utah investigator: that Carl Todd was a mediator for the International Monetary Fund (IMF), that investors could expect to receive up to 160% a week on their deposit, that no one had lost any money in this investment, and that over 20 people had invested with North and Todd. Todd told the investigator over the phone he and North had made "millions and millions and millions of dollars in business together." Todd also claimed that this investment would

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guarantee the investor a 25% per week return on his investment, assured him that there was "no risk in the program at all to you", and that the financial transactions would be handled by Lehman Brothers Bank in New York. When the Utah investigator flew to Missouri to meet Carl Todd in person, Todd never disclosed prior actions filed against him by the Missouri Securities Division and repeated false claims in regards to the "prime bank" offer.

A hearing is scheduled on December 27, 2006 to determine whether Todd and North dispute the Division's allegations.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

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